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**Financing of the United Nations Angola Verification
Mission and the United Nations Observer Mission
in Angola**

Measures taken to improve procurement activities in the field

Report of the Secretary-General

Summary

The present report is prepared in response to General Assembly resolution 54/17 of 29 October 1999, entitled "Financing of the United Nations Angola Verification Mission and the United Nations Observer Mission in Angola", in which the Assembly called upon the Secretary-General to provide additional information on the measures being taken by the Secretariat to further improve procurement activities in the field and to enhance control and accountability, within the context of the report on management irregularities causing financial losses to the Organization, as requested by the Assembly in its resolution 53/225 of 8 June 1999. The report provides observations on the outcome of the procurement audits in Angola and summarizes ongoing efforts by the Administration to strengthen procurement activities in the field.



I. Introduction

1. As a result of the findings and recommendations of the Office of Internal Oversight Services on the audits of the procurement process in the United Nations Angola Verification Mission (UNAVEM) (A/52/881, annex), the General Assembly, in its resolution 54/17, requested the Secretary-General to provide additional information on the measures being taken by the Secretariat to further improve procurement activities in the field and to enhance control and accountability, within the context of the report on management irregularities causing financial losses to the Organization, as requested by the Assembly in its resolution 53/225. The Assembly also requested the Secretary-General to submit to it a report prior to the second part of its resumed fifty-fourth session providing a concrete plan to correct procurement-related problems in peacekeeping operations, which should include the following: (a) all remedial measures taken to address problems identified with regard to the United Nations Observer Mission in Angola and other peacekeeping operations; (b) standardization of the corrective measures that have already been taken for all existing and future peacekeeping operations; and (c) a description of how accountability was pursued in the cases of individuals who were found to have engaged in fraud, mismanagement or abuse, and how accountability measures will be applied in the future. These interrelated aspects are being addressed jointly below.

II. General observations

2. In its report on the procurement audits in Angola (A/52/881, annex), the Office of Internal Oversight Services raised serious concerns about management deficiencies in the procurement process of UNAVEM. As a result, the General Assembly requested the Secretary-General to address the issues raised by the report with regard to weaknesses in the procurement process in Angola.

3. In his comprehensive response (A/53/1018), the Secretary-General stressed that the audit findings had received full attention at Headquarters and at the field level, and that action had been taken to remedy the weaknesses identified by the Office of Internal Oversight Services. This included measures for strengthening compliance with procurement

procedures, the reorganization of the UNAVEM Procurement Section in 1996 and the assignment of experienced personnel to key positions. The Secretary-General noted that although no evidence of fraud or financial loss had been detected in Angola, weaknesses in the procurement process must be addressed decisively.

4. Of particular concern in that context was the \$6.9 million procurement of quartering area equipment by UNAVEM. This case was included among the findings of the report of the Office of Internal Oversight Services, but subsequently became the subject of a separate investigation by the Office (see A/54/548). The Secretariat worked closely with the Office to ensure that responsibility for any misconduct or financial loss would be clearly assigned and pursued. In the end, the investigation found no evidence of fraud or financial loss. While disciplinary proceedings were therefore not required, the report identified weaknesses in the procurement of those goods and provided useful recommendations for improvement, which were endorsed by the Secretariat.

III. Strengthening of Field Procurement

6. Procurement in peacekeeping operations is characterized by the urgency and volume of goods required to support the rapid deployment of a large number of military and civilian personnel to a difficult environment. Therefore, the Secretariat has steadily pursued means of strengthening procurement processes and initiated, in this context, an in-depth review of the United Nations procurement system in 1994. The outcome was described in the reports of the Secretary-General on the implementation of procurement reform in the Secretariat (A/C.5/49/67 and A/C.5/50/13). Since then, additional reports on the strengthening of field procurement have been submitted to the General Assembly (A/C.5/50/13/Rev.1, A/C.5/51/9, A/52/534 and Corr.1, and A/53/271 and Corr.1). Reform measures implemented during this period include the introduction of procurement planning on the basis of the annual budget cycle, the initiation of preparatory processes in advance of commitment authority enhanced delegation of authority, and new arrangements governing contingent-owned equipment and self-sustainment that reduce the amount of direct support to be provided by the United Nations.

7. A particularly effective measure was the recent introduction of start-up kits for new missions as a first-line procurement support mechanism. Under this arrangement, the most frequently used items are kept in reserve at the United Nations Logistics Base at Brindisi, Italy, and are shipped as a package to missions during their inception or expansion. The General Assembly, in its resolution 52/1 B of 26 June 1998, authorized the maintenance of two start-up kits. The Secretariat has also tried to consolidate most of its generic requirements under systems contracts, both at Headquarters and in the field, including for rations, light vehicles and medium-sized vehicles, generators, communication and data-processing equipment and hard-wall containers, among other items. The expanded use of systems contracts has led to reductions in procurement price and lead times, as well as in the number of ex post facto cases submitted to the Committee on Contracts. In this context, the Secretariat is increasing the practice of sharing systems contracts with other United Nations agencies and programmes as part of the Secretary-General's initiative for the implementation of common services. For example, the use of the World Food Programme's systems contract for furniture and stationery facilitated the start-up of the United Nations Interim Administration Mission in Kosovo.

8. As part of ongoing efforts to strengthen human resources, the Secretariat is currently designing a comprehensive procurement training programme that will target field procurement and contract administration personnel. Classes are scheduled to commence in mid-May 2000. Staff from the Field Administration and Logistics Division of the Department of Peacekeeping Operations are also deployed more frequently to missions at short notice during the start-up phase. Among other benefits, their presence helps to establish the basis for a sound administrative structure from the beginning of the mission. This approach is complemented by a system of rapid deployment of pre-selected personnel, using the expertise of all parts of the United Nations system and of the Member States, as described in the report of the Secretary-General on the support account for peacekeeping operations (A/54/800).

IV. Conclusion

9. The sharp increase in the number and complexity of peacekeeping operations in the early 1990s caught the United Nations procurement system unprepared to meet the new challenges, in terms of both its organizational structure and its human resources capacity. In addition, the expansion of peacekeeping operations was accompanied by an increase in the complexity of mandates, ranging from ceasefire monitoring and truce observation to the inclusion of electoral support, human rights monitoring, demobilization and civilian police training. These factors, coupled with a procurement system designed in the early days of the Organization, contributed to the problems experienced in Angola. While the audits and investigations did not reveal any severe misconduct in UNAVEM, as was originally feared, the Secretariat recognizes the importance of addressing procedural and systemic weaknesses in order to prevent any opportunity for misuse of United Nations resources. Therefore, much has been done to make the procurement system more responsive to the requirements of peacekeeping operations and to ensure transparency and accountability at all stages of the process. In the context of the current expansion of peacekeeping operations and the broadening of their mandates, the Secretariat must redouble its efforts to ensure that the noticeable improvements made in recent years are transformed into permanent gains.